



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 31 2001

THE ADMINISTRATOR

MEMORANDUM

SUBJECT: Homeland Security and State Grants

TO: Regional Administrators

The events of the past several weeks have made homeland security the nation's highest priority. Environmental and public health professionals at all levels of government are playing a vital role in ongoing efforts to ensure the security of our citizens.

Like the U.S. Environmental Protection Agency (EPA), our State partners must adjust priorities so they can contribute to preparedness, response, monitoring, and risk assessment efforts. The costs of addressing this new challenge will strain government resources everywhere, and it is unclear when new resources might be forthcoming. For the immediate term, we want to help States meet these new demands using funds they already receive from EPA.

Please reach out to your State counterparts and remind them of the flexibility that is currently available to them under the regulation governing environmental program grants (40 CFR Part 35, Subpart A). Several levels of flexibility are available that can be used to help fund activities related to homeland security. These include:

Individual environmental program grants: States can use individual environmental program grants (e.g., for air, hazardous waste, water quality, drinking water, underground storage tanks) to fund homeland security activities that would be eligible under those programs. For example, States could direct some of the funds they receive under Section 1443(a) of the Safe Drinking Water Act to performing security evaluations of drinking water supplies. Also, States could use funds under Section 106 of the Clean Water Act to develop State-wide security programs for wastewater treatment facilities and, as necessary, modify their inspection programs to include security compliance evaluations.

Performance partnership grants (PPGs): There is more flexibility if the State chooses to receive some or all of its environmental program grant funds in a PPG. Under a PPG, the

State can propose a work plan that includes activities that cut across traditional program boundaries, as is likely to be the case for some homeland security activities. As long as a proposed activity is eligible under at least one of the grants that is combined in the PPG, it can be funded.

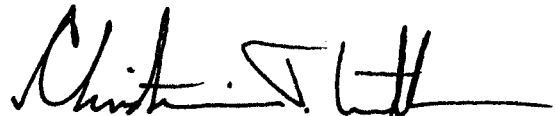
Further, the State can propose a work plan to fund high priority activities that fall under one program area while scaling back efforts in others with lower priority. If a State wishes to do so, the State can have just a portion of two or more of its individual grant programs combined in a PPG to be able to take advantage of this flexibility. If this partial "tap" approach is used, the rest of the State's grant funds could continue to be awarded in individual environmental program grants.

Other EPA grants: There are many other EPA grant programs under which funds are available for homeland security activities. Two major sources of funding are the Clean Water and Drinking Water State Revolving Funds (SRF). States may be able to provide SRF assistance to Public Water Systems and Publicly Owned Treatment Works for homeland security activities such as completing vulnerability assessments. Both SRFs can be used for many types of infrastructure improvements needed for good security, such as fencing, security cameras and lighting, redundancy for systems and power, and secure chemical and fuel storage.

Please work closely with each State to develop or revise work plans that reflect an appropriate balance between maintaining the integrity of our traditional programs and supporting new or stepped-up activities to address homeland security. Some program activities may need to be postponed or scaled back in exchange for being able to meet the current crisis.

The gravity of the situation demands that we provide as much flexibility as possible in considering State proposals to address homeland security. While it is late in the annual grant negotiation process for 2002, please make whatever adjustments are needed. Some grants already in place may need to be amended. I know I can count on you and your staffs to make this happen.

If you have any questions or would like to discuss this further, please contact Ed Krenik, Associate Administrator, Office of Congressional and Intergovernmental Relations (202/564-3689) or Howard Corcoran, Director, Office of Grants and Debarment (202/564-1903).



Christine Todd Whitman

cc: Assistant Administrators
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